GOVERNOR'S VETO
AB 2656 (Petrie-Norris)
As Enrolled August 27, 2026
2/3 vote

SUMMARY

Requires certain state and local public employers to provide a recognized employee organization no less than 45 days' written notice before taking an action to develop, purchase, or require the use of any generative AI (GenAI) to perform a service that is within the scope of work of the job classification represented by the recognized employee organization.

Senate Amendments

Make a clarifying change, i.e., removed the words "implement, or utilize", and replaced them with "or require the use of" relating to GenAI performing service within the scope of work, as prescribed.

Governor's Veto Message
This bill would require public employers to provide a recognized employee organization with at least 45 days' written notice before developing, purchasing, or requiring the use of any [GenAI] to perform a service that is within the scope of work of the job classification represented by the recognized employee organization.

I believe that employees should be made aware when employers introduce new technologies that significantly impact them. However, this measure would impose redundant administrative layers on public agencies and slow the deployment of even the most innocuous tools. Moreover, this issue is best resolved through the collective bargaining process, which allows employees and employers to tailor rules appropriate for their workplace.

COMMENTS

Artificial Intelligence and GenAI. Until recently, advancements in technology often automated physical tasks, such as those performed on factory floors or self-checkouts, but AI functions more like human brainpower. AI can use algorithms to accomplish tasks faster and sometimes at a lower cost than human workers can. GenAI is a subfield of AI that creates content like text, images, audio or software code in response to human prompts. GenAI can learn from underlying patterns and structures of data to generate new data in response to input or prompts. As this technology develops, so do fears of worker displacement in more areas and industries.

According to a recent CNBC article, "recent estimates from Goldman Sachs suggest that six percent to seven percent of United States workers could lose their jobs because of AI adoption. The Stanford Digital Economy Lab, using Automatic Data Processing, Inc. (ADP) employment data, found that entry-level hiring in "AI exposed jobs" has dropped 13 percent since large

language models started proliferating. The report also stated that software development, customer service, and clerical work are the types of jobs most vulnerable to AI today."[1]

Beyond replacing workers, GenAI tools like ChatGPT, Gemini or Claude are being used to complement the duties of employees in astonishing numbers. A 2025 report assessed the scale of global daily active usage for GenAI tools and found that daily active user base for these tools likely falls within the range of 115 million to 180 million individuals.[2] In terms of state employment and GenAI use, a 2024 survey by the National Association of State Chief Information Officers found that 53 percent of chief information officers reported using GenAI tools in their daily work.[3]

Governor Newsom's Executive Orders (EO). Among other things, EO N-12-23 "requires the Government Operations Agency, the California Department of Technology, the Office of Data and Innovation, and the Governor's Office of Business and Economic Development, in collaboration with other State agencies and departments and their workforce, to draft a report to the Governor examining the most significant, potentially beneficial use cases for deployment of GenAI tools by the State."

The report must also "explain the potential risks to individuals, communities, and government and state government workers, with a focus on high-risk use cases, such as where [it] is used to make a consequential decision affecting access to essential goods and services," and to "include but not be limited to: risks stemming from bad actors and insufficiently guarded governmental systems, unintended or emergent effects, and potential risks toward democratic and legal processes, public health and safety, and the economy." Further, the report must be "regularly assessed for any significant developments or necessary updates and as appropriate, be done in consultation with civil society, academia, industry experts, and the state government workforce or organizations that represent state government employees."[4]

On May 21, 2026, the Governor issued EO N-6-26 directing state agencies to build a framework for responding to potential workforce disruption and ensuring workers are not left behind as AI adoption accelerates.[5] Among other things, this EO directs various state agencies to:

1) Track and understand the impact of AI on the workforce, filling the gaps of knowledge and providing clear and concrete data with: a) a new report on recommendations, best practices, and early economic warning signals of potential labor disruptions, drafted in consultation with labor, industry, and academic experts; b) a new dashboard showing the impact of AI across sectors; c) recommendations on revisions and updates to the California Worker Adjustment and Retraining Notification (WARN) Act, to ensure it can be used to provide early warning data and is responsive to emerging industry trends; and, d) business feedback

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[1] "*AI is already taking white-collar jobs. Economists warn there's 'much more in the tank.*' CNBC, October 23, 2025. https://www.cnbc.com/2025/10/22/ai-taking-white-collar-jobs-economists-warn-much-more-in-the-tank.html

[2] "*How many people are using generative AI on a daily basis?"* A Gemini report. April 14, 2025. https://www.technollama.co.uk/a-gemini-report-how-many-people-are-using-generative-ai-on-a-daily-basis-a-gemini-report.

[3] *"Generating opportunity: The risks and rewards of generative AI in state government."* National Association of State Chief Information Officers, November 2024. https://www.nascio.org/wp-content/uploads/2024/11/NASCIO_Risks-and-Rewards-of-GenAI_2024_a.pdf

[4] Executive Order N-12-23. https://www.gov.ca.gov/wp-content/uploads/2023/09/AI-EO-No.12-_-GGN-Signed.pdf

[5] Executive Order N-6-26. https://www.gov.ca.gov/wp-content/uploads/2026/05/5.21.26-AI-Workforce-EO-FINAL-SIGNED.pdf.

on the role of technology in workforce decisions incorporated into the state's monthly jobs report.

2) Respond to possible employment and workforce disruption: by (i) reviewing policies that provide workers with a safety net, including severance and other forms of compensation; (ii) increasing awareness and enrollment of employment insurance programs; (iii) creating an AI playbook to modernize job training programs; (iv) creating a single online platform to enable Californians to more easily navigate government services and, ultimately, help Californians identify all social services for which they may be eligible; and, (v) leveraging California Volunteers for those experiencing long-term unemployment and to provide essential training for entry-level workers.

3) Develop stronger public policy and support programs for using AI to advance the public good: by working with academic experts and the private sector to develop recommendations for altering incentive structures and increasing the likelihood of AI development and deployments that advance the public good and address critical problems facing society.

Relationship to Collective Bargaining. Within the MMBA (specifically, Section 3505 of the Gov. Code), for example, local public agencies are required to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with employee organizations representatives; defines "meet and confer" for this purpose, and provides for the resolution of impasse. This requirement and associated provisions are substantially similar to those in a number of the other public employment relations statutes enumerated under "Existing Law" above, that are incorporated by reference in this bill.

This Bill Neither Limits Nor Prohibits Public Employer Action Regarding GenAI. This bill neither explicitly nor tacitly limits or prohibits a public employer regarding GenAI to perform a service that is within the scope of work of the job classification represented by the recognized employee organization. If it is alleged that the public employer's development, purchase, implementation, or required use of GenAI may involve matters relating to the scope of representation, i.e., the mandatory subjects of bargaining being wages, hours (of employment), and other terms and conditions of employment, such matters may be resolved through collective bargaining or the Public Employment Relations Board's grievance resolutions processes.

Please refer to the various policy committee analyses for a full discussion of this bill.

According to the Author
"This measure ensures that public employees are not left in the dark as artificial intelligence becomes more integrated into government operations. As cities, counties, and state agencies increasingly deploy AI tools in the workplace, employees deserve clear, advance notice when these technologies are being used and how they may impact their duties, evaluations, and decision-making processes. While emerging technologies can be valuable tools, they must be implemented thoughtfully, transparently, and with appropriate safeguards. Requiring advance notice is a straightforward, commonsense step that promotes accountability without slowing innovation. It ensures that employees can adapt to new systems, raise concerns where appropriate, and maintain the professional judgment that is critical in high-stakes public safety environments."

Arguments in Support
The Peace Officers Research Association of California expresses, "[this bill] ensures that public employee organizations receive advance notice of the proposed use of GenAI and are provided a meaningful opportunity to engage with public agencies prior to its implementation. This bill establishes a reasonable and necessary framework to ensure that the introduction of new technologies enhances, rather than undermines, the work of public employees. GenAI is rapidly transforming workplaces across the public sector, including law enforcement. While this technology has the potential to improve efficiency and support public safety operations, it also raises important concerns related to job displacement, working conditions, and the use of automated systems that may lack transparency or accountability. Decisions about the development and implementation of GenAI are often made without sufficient input from the employees most directly impacted. Public safety professionals bring valuable, real-world experience and insight that can help ensure these tools are implemented effectively and responsibly. Providing advance notice and an opportunity to engage allows employee organizations to identify potential risks, improve outcomes, and help integrate new technologies in a way that supports both public safety and workforce stability."

Others in support offers similar statements regarding this bill.

Arguments in Opposition
Among other things, a coalition of local public agency organizations (e.g., cities, counties, school administrators) state, "[w]hen tools become available that assist with specific aspects of public service (like charting in health clinic or monitoring drinking water safety), they are often vetted in partnership with employees with the mutual goals of ensuring staff is empowered to focus on certain aspects of their work and providing more efficient and effective outcomes that benefit the public. Importantly, local agencies remain subject to the statutory provisions [of the] Meyers-Milias-Brown Act (MMBA), which require local agencies to meet and confer with recognized employee organizations regarding changes to employees' wages, hours, or terms and conditions of employment. Existing law provides a robust framework for determining when particular uses of generative artificial intelligence may actually have a significant and adverse effect on the employment relationship, in which case notification (and more) is already required. This bill is therefore both overbroad and unnecessary. Finally, local agencies are subject to last year's Chapter 687, Statutes of 2025 (Assembly Bill 339, Ortega), which requires additional notice to recognized employee organizations regarding a range of local agency contracting activities, even when those activities do not rise to the level of triggering meet-and-confer obligations under the MMBA's usual standards. This additional notification requirement has been incredibly burdensome for local agencies and has required a significant amount of time, legal resources, and training to implement. The further unworkable notification provisions in this bill would exacerbate these concerns and represent another state mandate for which the state may be obligated to provide reimbursement under Article XIII B of the California Constitution.

FISCAL COMMENTS

According to the Senate Committee on Appropriations, this bill would result in the following:

1) Costs to the State as a direct employer, likely exceeding $50,000 annually (General Fund and special funds), to implement the bill's employee notice requirements. The magnitude of these costs would depend on the extent to which state departments use workplace AI tools.

2) The bill's notification requirements would apply to approximately 1,000 school districts and 58 county offices of education. The resulting annual costs are unknown but would be borne through Proposition 98 General Fund support.

3) The Public Employment Relations Board (PERB) would incur annual General Fund costs of $235,000 to implement the provisions of the bill.

4) Impose costs on local agencies, including cities, counties, and special districts, to implement its notice requirements. If the Commission on State Mandates determines that these requirements constitute a reimbursable state mandate, the state would incur corresponding General Fund costs to reimburse local agencies. The magnitude of these costs is unknown but could exceed $50,000 annually.

VOTES

ASM PRIVACY AND CONSUMER PROTECTION: 14-1-0
YES: Bauer-Kahan, Macedo, Aguiar-Curry, Bryan, Hoover, Irwin, Lowenthal, McKinnor, Ortega, Patterson, Petrie-Norris, Ward, Wicks, Wilson
NO: DeMaio

ASM PUBLIC EMPLOYMENT AND RETIREMENT: 7-0-0
YES: McKinnor, Lackey, Alanis, Boerner, Garcia, Nguyen, Michelle Rodriguez

ASM APPROPRIATIONS: 14-0-1
YES: Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa
ABS, ABST OR NV: Dixon

ASSEMBLY FLOOR: 72-2-6
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Davies, Elhawary, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO: DeMaio, Ellis
ABS, ABST OR NV: Castillo, Dixon, Hadwick, Johnson, Muratsuchi, Celeste Rodriguez

SENATE FLOOR: 39-0-1
YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
ABS, ABST OR NV: Niello

ASSEMBLY FLOOR: 74-2-3
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO: DeMaio, Ellis
ABS, ABST OR NV: Hadwick, Johnson, McKinnor

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